

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

The Agricultural Situation

A Brief Summary of



Economic Conditions

Issued Monthly by the Bureau of Agricultural Economics
United States Department of Agriculture

Subscription price, 25 cents per year; single copy, 5 cents; foreign price, 45 cents; payable in cash or money order to the
Superintendent of Documents, Government Printing Office, Washington, D. C.

Washington, D. C.

August 1, 1936

Volume 20, No. 8

2 DRY MONTHS—2 YEARS TO RECOVER

The drought overshadows everything else as it did in 1934. What was merely a threat a month or so ago is now grim reality. The devastation has gone on from wheat to potatoes and other food crops and to the feed crops—corn, oats, pastures, and ranges. Thousands of acres of new seeding have been killed, the effect of which will not be apparent until next year.

Once more we see the long-drawn effect of drought working itself out through the animal industries. There is not going to be any acute shortage of foodstuffs. Where the farmers and ultimately the whole community are going to feel the pinch is in the reduced supply of pork, beef, chicken, and dairy products. And not so much this season as next.

There is a better supply of hay and roughage than in 1934. But grain is short. The increase that has been going forward in hogs will be checked and possibly reversed. It probably means fewer pigs in 1937 than this year. The cattle industry will be hit much the same way—an increasing tendency reversed and presumably fewer cattle on farms a year hence. The deceptive thing about such liquidation is that for the moment more meat than usual will come to market—but that vast reservoir of animals representing crops of 2 or 3 years stored on the hoof is being depleted.

Aside from this livestock aftermath, the immediate effects of the drought are most striking in the short wheat crop, short potato crop, reduced supplies and higher prices of milk, butter, fresh vegetables, and fruits. Only the far West has largely escaped the devastation. It, fortunately, has good crops and a good market for them.

Meanwhile, the farmers of the prairies are tightening their belts to get through to next spring as best they can. And farmers throughout much of the territory from the Rockies to the Atlantic must make such shift and retrenchment as will meet the added costs of production and carry their crop and animal units along to a better season.

The wages of farm hired help, averaging the country as a whole, have gone up 20 percent in 2 years, although that is approximately in line with the percentage increase in gross farm income.

KEY REGIONS AT A GLANCE

THE EAST.—Parts of the East are suffering severely from drought. Pastures are brown, oats almost a failure, corn, potatoes, and other late crops a very poor prospect in those areas. A fairly good crop of hay was cut, however, and winter wheat is threshing out to fair yields. Dairymen disturbed over poor silage prospect. Also worried over mounting feed prices as well as present handicaps from lack of pasture and water.

THE SOUTH.—General crop conditions greatly improved following rains last month from eastern Texas to the Atlantic. Cotton making fair progress though some early stands damaged beyond help before rains came; same also true of early corn and various truck crops. Conditions bad in Oklahoma from drought.

CORN BELT.—July was one of the worst months ever experienced, in respect to the drought. High temperatures on top of dryness literally burned out many crops. Corn tasseled prematurely and burned in many places. Heavy corn damage in Iowa, Missouri, Nebraska. Oats short and in some sections a failure. Clover hurt, much new seeding killed. Grain shortage curtailing plans of cattle and hog men for fall breeding and feeding programs.

WHEAT BELT.—Continued in the grip of acute drought. Northern belt in bad condition, spring wheat a partial failure, feed gone, livestock moved out of some sections, many farm families destitute. Grasshoppers have added to the general plague. Winter wheat, however, threshed out rather better than expected in parts of eastern belt. Those who have any grain are heartened by higher wheat prices.

RANGE COUNTRY.—Conditions generally dry and poor east of the Divide, with feed and water short and stock forced out from some sections of Montana and Wyoming. Westward the ranges are good and stock doing well. Sugar beets and other crops in irrigated valleys in good condition, with irrigation water generally ample.

PACIFIC COAST.—Had some very hot weather, damaging late spring grain somewhat in north and ripening fruit and grain too fast. Feed conditions generally good except in eastern valleys, and irrigation water ample. Picking berries and early fruits; shipping early potatoes and citrus in south. California crop of Valencia oranges smaller than last season, but of good quality. Deciduous fruits mostly larger crops.

RECORD TEMPERATURES WITH THE DROUGHT

July 27 marked the twenty-fifth successive day of temperatures above 100 in the Great Plains country. It is this exceedingly high temperature, added to the dryness, that has been so severe on grain and other crops from the Mississippi to the Rockies. Generally speaking, that broad area from the river to the mountains had less than one-fourth its normal rainfall in the month of July. The worst conditions in respect to drought and heat are found in the stretch of country from Illinois and Missouri northward and westward.

Many comparisons have been made between the drought of this year and that of 1934. In a general way it may be noted that most States from the Atlantic to the Rocky Mountains had less rain from April to July than they had in the same period of 1934. Also, from New York and Pennsylvania westward more high temperature records have been broken than ever before in 1 month.

It is a curious fact that whereas the rainfall this summer east of the Continental Divide has been so deficient, the snowfall last winter was heavy throughout the mountain region. In consequence, the many irrigated valleys throughout the far West are enjoying an abundant supply of water this summer, while the farmers a little farther eastward, in what is supposed to be a humid climate, are seeing their crops wither for lack of rain.

The Reclamation Service reports that of all its projects, covering 16 States in the West, only two (one in South Dakota and one in Nebraska) are short of water. Elsewhere the supply is ample.

NONE TOO MUCH FRUITS AND VEGETABLES THIS YEAR

As the drought has continued to scorch the country from the Rocky Mountains to the Atlantic, some effects on the food supply are becoming evident. Just now some of the principal vegetable and fruit crops are beginning to show the cuts from the dryness and heat. From the present prospects, it appears that fewer carloads than usual of important midseason vegetables and canning crops will roll to market in August.

Of course, August is normally a month of rather lighter shipments than either July or September. This month just about marks the end of the important movement from the South. In September about nine-tenths of the carlot shipments will be coming from the North and the West. This year the southern shipping season has been shortened by the drought and rapid marketing of some crops. Weather and price changes always affect the speed and quantity of marketing.

CROP CONDITIONS SPOTTED

The reports last month showed lowered condition as compared with last season. Thus, although the country actually planted around 85,000 acres more of truck crops, this slightly added acreage has been more than offset by the poorer growing conditions.

It is especially in the East and the Southeast where most damage has occurred. Cabbage and onions likewise are possibly short crops in the North and Central States.

WESTERN GROWERS FAVORED

It appears that the Pacific coast and Mountain States are going to have their inning this year. Their crops are reasonably good and the rest of the country needs the supply. The West coast is the only region that has a potato crop above average. Likewise, whereas the Pacific coast had only about one-third of the apples last year, this season it is estimated that it has 44 percent of the crop. The pear crop is the largest on record in the Pacific Northwest. There will be a liberal output of miscellaneous truck crops and fruits there. California has nearly one-half the total peach crop. In fact, the volume of shipments from the Pacific coast, together with the heavy early movement from Texas, had actually brought the season's carlot total, up to last month, above the previous season.

MOST FRUIT CROPS LIGHT

Generally speaking, the fruit prospect is poor. This fact dates back from the hard winter and late frosts rather than from the drought, although the latter has cut the size and the bulk of fruit.

Apples are light everywhere; even on the coast the crop is below the average. In many leading apple States there is only about one-half to three-fourths an average crop. The dry weather, however, has made it possible to spray effectively, and such fruit as comes to market should be of good quality.

Pears are a good crop in the West. They are below average in the East. Grapes are about one-fifth below average production and peaches perhaps one-fourth below.

SCANTY POTATO CROP

Another drought casualty that will be felt on every dinner table is the potato crop. Last month's estimates, which suggested about 260 million bushels of potatoes in the 30 late main crop States, would allow potato consumers only about 2 bushels each for the main part of the coming season, which is a rather short ration. Potato shipments in August may be expected to be fairly normal, around 10,000 carloads, if the price stays high enough to encourage early digging. New Jersey, California, Idaho, and Wisconsin, the usual heavy shipping sections during this month, have fairly good crops and will account for most of the carlot supply in August. A larger proportion than usual will come from western producing sections.

Sweetpotatoes will not piece out the supply much, because they are turning out poorly, with production probably one-fourth below last year. Some States, however, which are quite heavy sweetpotato shippers, have fair crops; these include New Jersey, Virginia, California, New York, and Louisiana.

The central fact in the potato situation is that we seem likely to have a great shortage of 75 million bushels or more in the total potato crop, as compared with last year, and the best of growing weather in the next 2 months will not make up for it. In other words, this season must be put alongside the other years of market shortage, such as 1925, 1919, and 1916; and it may be added that in all of those years prices held to high levels through the winter and spring months.

GEORGE B. FISKE,
Division of Economic Information.

DROUGHT CUTS THE GRAINS

The grain markets made the sharpest gains in recent years during July, being influenced principally by rapid deterioration in spring wheat, prospective short crops of oats and barley, and threatened extensive damage to corn as a result of drought and intense heat. Wheat advanced 10 cents to 15 cents a bushel, with active trading in futures and a broad milling demand for cash grain. Corn gained around 20 cents a bushel, the gain reflecting the widespread damage to the new crop from intense heat and drought in the main belt. Later, however, part of the advance was lost when scattered showers gave temporary relief in some areas. Oats and barley advanced, being influenced by the higher corn market and unfavorable new crop prospects. Rye and flax were also sharply higher as drought damage increased.

A SHRINKING WHEAT CROP

Lowering of crop prospects in North America and in important European countries was the dominant feature of the wheat situation during July. The prospect at the close of the month was for a Northern Hemisphere crop around 125,000,000 to 150,000,000 bushels below the 1935 harvest, with the greatest losses in the spring wheat areas in the United States and Canada.

Prospects in the United States at the first of July indicated the smallest spring wheat outturn since 1909 with the exception of 1931 and 1934, but the estimate of 126,000,000 bushels has been further lowered by continued drought.

The domestic winter wheat crop was estimated on July 1 at about 512,000,000 bushels, or about 50,000,000 bushels above the 1935 outturn. Of this season's harvest, about 266,000,000 bushels is Hard Red Winter wheat, 195,000,000 bushels Soft Red Winter wheat, and the remainder white wheats.

CANADA ALSO HIT

The Canadian spring wheat crop has suffered irreparable damage, at present indicating an outturn well below the 277,000,000 bushels harvested in 1935. Trade agencies were estimating the Canadian harvest at 200,000,000 to 225,000,000 bushels based on conditions prevailing toward the close of the month. European crops deteriorated in several important countries, and present indications are for a harvest 75,000,000 to 80,000,000 bushels under the 1935 outturn, with decreases in France, Spain, Italy, and other important deficit countries more than offsetting increases in Danubian countries where prospects are favorable this season. North African harvests are apparently turning out about the same as last season, while the Indian crop has been officially estimated about 12,000,000 bushels under the 1935 harvest.

It is too early to forecast Southern Hemisphere harvests but crops are reported as developing favorably on increased acreages both in Argentina and Australia. The Australian acreage is placed at 12,400,000 acres, or about 600,000 acres above last year's seedings. Conditions are generally favorable, with moisture supplies adequate.

THE WORLD HAS LESS OLD WHEAT

The prospective smaller harvest in the Northern Hemisphere this season assumes added importance because of the sharp reduction in

stocks of old wheat carried over into the new crop year. Incomplete figures suggest that stocks of old wheat at the beginning of the 1936-37 season are approximately 300,000,000 bushels less than a year ago. Total stocks in the United States and Canada are approximately 75,000,000 bushels below those at the corresponding time last year. Stocks on farms and in terminal markets in the United States at the first of July were about the same as a year ago, but country mill and elevator stocks were somewhat smaller. Trade and official estimates place European stocks around 150,000,000 bushels below the quantity carried over last season, while supplies available for export and carry-over in the Southern Hemisphere are around 45,000,000 bushels smaller than a year ago.

With the sharp advance in prices early in July, world supply and demand became a more important influence in domestic markets and tended to check further gains. Heavy marketings of winter wheat were also a weakening factor in the cash markets. Harvesting of winter wheat was nearing completion at the close of July under favorable conditions. The new crop moved earlier and more rapidly than usual and at the close of the month some falling off was apparent at southern points, indicating that the peak of the movement had passed in those areas. This decrease, however, was nearly offset by larger arrivals at northern markets.

The quality of this season's winter wheat crop is generally good. The protein content of wheat inspections at Kansas City averaged 13.5 percent compared with 12.5 percent for a comparable period last season.

A DEFICIT OF DURUM

Durum wheat markets remained independently firm as a result of scarcity of supplies and poor new crop prospects. The July 1 condition indicated a crop of only 9,600,000 bushels, which would be well below recent domestic mill grindings. Trade reports indicate that practically all of the Canadian durum held at Canadian lake ports has been purchased for shipment to American mills. Prices are now on an import basis and recently American mills have been almost entirely dependent upon Canadian durum wheat.

FEED GRAINS ADVANCE SHARPLY AS CROPS ARE HURT

Prices on all feed grains moved sharply upward during July owing to prospects of short crops of oats and barley and the rapid deterioration in corn as a result of drought and intense heat. Final outturns of feed grains were still quite uncertain at the close of July; indications, however, were that supplies for 1936-37 would be under those of the previous year but probably above the very short supplies of 1934-35.

Conditions at the first of July indicated a corn crop of about 2,245,000,000 bushels, or slightly under last year's harvest. During July, however, the crop was seriously injured by drought and intense heat. Much corn was beyond recovery in Missouri and south-central and southeastern Kansas at the middle of the month, and extensive harm had been done in Iowa, Ohio, Indiana, and Illinois.

Nearly 200,000,000 bushels more old corn remained on farms at the 1st of July than a year ago, but with increased feeding as a result of drying of pastures, farm stocks were being drawn upon more heavily. With the harvest becoming more uncertain, growers were

less inclined to dispose of remaining supplies and receipts at terminals dropped off. Demand remained fairly active but some slackening was apparent at the higher prices. With a material increase in the spring pig crop, requirements for corn for hog feeding have been increased.

ARGENTINE CORN IN THE PICTURE

The sharp gains in July placed corn prices at seaboard points above \$1 per bushel and increased the likelihood of further imports of Argentine corn. Toward the close of July, Argentine corn was offered for September and later shipment at about 88 cents per bushel, delivered American ports, duty paid. Late estimates place the new Argentine crop at about 382,000,000 bushels. The quality is not so good as last season because of the wet harvest, but first arrivals of new crop Argentine corn at West coast ports have been of generally satisfactory quality.

Oats markets gained sharply along with other feed grains but were influenced also by poor prospects for the new crop. The July 1, condition of 60.6 percent of normal indicated a crop of only 805,000,000 bushels compared with last year's harvest of 1,187,000,000 bushels. Stocks of old grain, however, are relatively large, with about 248,000,000 bushels reported on farms and 31,000,000 bushels at terminal markets at the first of July.

GEORGE A. COLLIER,
Hay, Feed, and Seed Division.

THE DROUGHT IS HARD ON THE LIVESTOCK INDUSTRIES

The livestock industries were just beginning to recover substantially from the 1934 drought. Stockmen generally have been making an effort to bring up their herd and stock numbers. Into this situation comes the severe drought of 1936, and the apparent effect is going to be to reverse the trend and again reduce livestock numbers.

MORE HAY THAN IN 1934

In the matter of hay and roughage supplies, the situation this year is better than it was in 1934. The area where feed crops have failed entirely is much smaller this year than in 1934 and the carry-over of hay and other roughage was much larger in most areas. The number of hay-eating animals is much smaller now than 2 years ago as a result of the sharp reduction of cattle numbers in 1934 and continued decrease in horses and mules.

GRAIN SHORTAGE WILL AFFECT HOGS ESPECIALLY

Although it is not yet possible to size up finally the damage to the corn crop nor to estimate the total production of feed grains, it seems apparent that supplies of feed grains (production plus carry-over) will be among the smallest in 35 years, although not so small as in 1934. It is this grain shortage that bears most heavily upon the livestock situation.

This shortage of feed grains will undoubtedly have its greatest and longest effect on hogs. It was hogs that were most sharply reduced as a result of the 1934 drought and other causes. The number on farms at the beginning of last year and this year was the smallest in many years; slaughter during 1935-36 was the smallest in 25 years.

Production reached a low point in the spring pig crop of 1935. It began to increase again in the fall of 1935. This increase continued last spring and there was every reason to expect a continuation of this upward trend this fall and throughout next year, had feed-grain production been average or better.

The June pig report estimated the 1936 spring pig crop at 41,884,000 head, compared with 32,380,000 head in 1935, and 52,243,000 the average of 1932-33. Thus, it is evident that while a substantial recovery was made from the low point of 1935, the crop of last spring was still much below the 1932-33 average. The report also estimated a 14-percent increase in the number of sows to farrow this fall, but while that estimate was still far below the 1932-33 average of fall farrowings, the drought has made any increase doubtful this fall. Farrowings may even be smaller than they were last fall.

Average weights of all hogs slaughtered in June continued heavier than a year earlier. The average weight of hogs at seven leading markets for the month was 253 pounds, compared with 242 in May and 244 pounds in June 1935. A small corn crop this year, however, with corn prices high relative to hogs, would probably send hogs to market in 1936-37 at much lighter weights than they have averaged this year.

SLIGHT INCREASE IN EXPORTS POSSIBLE

The report from Germany indicates that slaughter supplies of hogs are increasing in that country. Although our exports of lard to Germany have increased in recent months, they are still at a very low level.

The import restrictions laid down by European countries have had the effect of fixing an upper level above which our exports cannot increase. Because of the shortage of hogs in this country, however, exports of pork and lard in 1935-36 have been materially below this upper level. With more pork in prospect for the first half of the 1936-37 marketing year, it is probable that there will be some increase in exports, but this development will be influenced by the drought and the size of the corn crop.

WILL TAKE 2 OR 3 YEARS FOR HOGS TO "COME BACK"

High corn prices undoubtedly will force an early movement of pigs to market this fall. This will mean relatively heavy slaughter during October, November, and December, accompanied by a considerable drop in hog prices, which in turn will tend to make the hog-corn price ratio still more unfavorable.

With conditions as now seem probable, there seems to be little likelihood that the number of sows bred to farrow next spring will be as large as last spring. If corn prospects in 1937 are good, an increase in the fall crop of 1937 over that of 1936 is probable, but it now seems unlikely that the total pig crop in 1937 will equal that of this year. It will be 1938 before a substantial increase in production will take place, and it may be 1940 before production will reach a volume comparable with the 5-year average 1929-33.

SOMEWHAT FEWER CATTLE PROBABLE

The drought apparently will lead to some decrease in the number of cattle during 1936, whereas some increase was probable if feed production had been about average this year. If there had been no drought, cattle and calf slaughter under Federal inspection in 1936 would probably have been about 16,000,000 head and the second largest on record. Even with such a slaughter, but with an increased calf crop, a probable increase in imports, and smaller death losses in 1936 than in 1935, some increase in numbers would have occurred. It seems fairly certain that the heavier marketings resulting from the drought will be reflected in larger commercial slaughter than would otherwise have occurred, in addition to such slaughter as may result from purchases by governmental agencies. This increased slaughter may be sufficiently great to result in a decrease of 3 or 4 percent in the number of cattle on farms January 1, 1937 from a year earlier.

Because of the short supply and high prices of corn and other feeds and the generally unprofitable results of feeding operations during most of 1936 to date, a rather sharp decrease in cattle feeding this coming fall and winter is anticipated. Hence the demand for feeder cattle is likely to be rather poor this fall and the supply of fed cattle during the first half of 1937 to be much smaller than during the corresponding period of this year.

SHEEP NOT SO MUCH AFFECTED

The effect of the drought on the sheep situation will be relatively unimportant. Only a small part of the western sheep area is in the 1936 drought region, and feed conditions over most of the area are fairly favorable and in sharp contrast to 1934. The 1936 lamb crop estimate, recently released, shows a somewhat larger lamb crop this year than last, largely a result of a larger percentage lamb crop in the western sheep States. The estimated crop this year was 31,413,000 head, compared with 28,907,000 head in 1935 and 30,598,000 in 1934. As yet, few sheep or lambs have been forced to market by the drought and there is little reason to expect that the drought will be much of a factor in the lamb-marketing situation this year.

The supply of lambs available for the balance of this year appears to be considerably larger than a year earlier and the proportion of lambs in feeder flesh is also expected to be larger. What the demand for feeder lambs will be during the fall months is rather uncertain. Prices of both feed grains and hay will be materially higher this year than last, which will add substantially to the costs of feeding. Many feeding lambs have already been contracted in the Western States at prices substantially higher than those at which early contracts were made last year.

In view of the generally favorable feed situation west of the Rocky Mountains and the probability that grain and hay prices will be low relative to those in the Corn Belt, it is expected that lamb feeding in that area and in Texas may be unusually large relative to total feeding this year. Until the outcome of the corn crop is more definitely known and the probable price of corn more certainly established, it is to be expected that the demand for feeder lambs from the Corn Belt States will be rather limited and that during the next 2 months the spread between feeder lamb and slaughter lamb prices may be rather wide.

C. L. HARLAN,
Division of Crop and Livestock Estimates.

DROUGHT STOPS INCREASE IN POULTRY

Poultry is another example of an industry just beginning to recover from the drought of 1934 only to run head-on into the drought of 1936. At the beginning of last year the number of chickens in the country stood at the lowest point in a dozen years. The feed shortage held down the production of young chickens during the hatching season of 1935.

Up to the beginning of this year, growers had succeeded in restoring their flocks only to the extent of about a 4-percent increase. Only on the Pacific coast did the comeback in numbers amount to as much as 10 percent.

This spring conditions seemed fairly favorable, and the gains were well maintained through the heavy laying season. In June, however, cullings, especially through the North, were rather heavier than usual, so that the number of hens per flock on July 1 was only a trifle greater than the year previous. In other words, the number of laying hens in the country on July 1 this year was still virtually at the low point. They were 8 percent lower than the July average for 1930-34 and were down as much as 16 percent from the peak of numbers that was reached in 1927.

MORE PULLETS—BUT WILL THEY BE KEPT?

With the better feed conditions this spring, poultrymen made an effort to bring up the numbers of young chickens in their flocks. Commercial hatchings in the first half of this year showed a 25 percent increase over last year. The outcome was that there were 11 percent more young chickens in farm flocks July 1 this year than a year ago.

Ordinarily, any such increase as this in young chickens would show up in a somewhat proportionate gain in the number of layers, but this year the drought again enters the picture at this point. As matters now look, it appears that any increase this fall in the laying flocks will be moderate, to say the least. Of course, the fact that the number of hens, especially in the North-Central States, is at a low point, will lead producers to make every effort to keep what pullets they can for layers. It appears, however, that considerable forced selling of young stock originally intended for layers and of hens that would otherwise have been held over will occur. Marketings during the last 2 or 3 weeks have been much heavier than a year ago.

In the South where the rains early in July helped feed conditions, an increase in layers perhaps will be shown, but that section is not an important factor in commercial egg production.

In the Northeastern and more especially the far Western States, crop prospects are rather below those in the Central West, but both of these sections normally have to buy a lot of feed from the Central States. If egg production should be cut in the Central States as it was in 1934, both the East and the West coast poultrymen will probably keep as many layers as possible, in the hope that egg prices will justify the buying of high-priced feed.

PROBABLY HIGHER EGGS—LOWER POULTRY

It is probable that poultry prices will drop by more than the average seasonal amount from now to December. The increased number of chicks, plus the drought conditions, will bring more poultry to

market. On the other hand, storage operators may be fairly good buyers, in view of the possibility that receipts next spring may be relatively low. Also, a possible better demand by consumers may tend to offset somewhat the price decline.

Egg prices will probably rise by more than the average seasonal amount between now and December. Though it is possible that some increase may occur in production, the effect of this on prices will quite likely be more than offset by the very low storage stocks and a probable increase in consumer demand.

EARLY EGG PRODUCTION SLIGHTLY UP

The production of eggs as reported in farm flocks during the first half of 1936 exceeded the same months last year by about 3 percent. This higher production was caused partly by the larger flocks and partly by the unusually high lay per hen. Not only was the weather favorable, but egg prices were high enough in comparison with feed to stimulate the feeding of layers, thus contributing to the high rate of laying.

MARKET RECEIPTS LIKEWISE UP

The increased egg production resulted in receipts at the four large markets larger for the first half of this year than last. These increased receipts spell greater consumption by city population since the gain over 1935 amounted to about 10 percent, whereas, egg production advanced only about 3 percent.

On this question of consumption, it may be noted that the average per-capita consumption of eggs annually for the 5 years 1930-34 has been estimated at 20.2 dozens. Thereafter, however, consumption declined steadily down to a low point of 18.1 dozens last year. At the present rate of increase, it looks as though per-capita consumption this year would about come back to the 1934 figure of 18.8 dozens per capita.

THE FALL EGG-PRODUCTION OUTLOOK

The best that can be said at present is that the outlook for fall and winter production of eggs will depend largely upon the course of the drought. A favorable feed-egg ratio would tend to maintain production in the fall and winter above that of a year earlier. However, any material advance, such as is probable in the ratio, will tend to reduce production by more than the seasonal amount, both by a reduction in the rate of laying and by a reduction in the size of laying flocks.

GRAIN SHORTAGE

Although the carry-over of feedstuffs from last year was fairly heavy, the small outturn of practically all grain crops this season will mean that the total supply of feed per animal unit will be less than in any other year in a generation or more, with the possible exception of 1934. There will be considerable bidding from the different livestock industries for feed, with the probability of high prices as a result.

LESS MILK—HIGHER PRICES

The dairy situation is colored at present chiefly by the reduced pasture and feed supplies, by the small stock of butter in storage, and by the shrinkage in milk production since June. All of these items have combined to support a rising price level and apparently mean still somewhat higher prices.

PRODUCTION FALLING OFF

Creamery butter production in June was 7 percent lower than in June 1935, indicating that the early effects of the drought were being felt even then.

It is true that for the first 6 months of this year butter production was about the same as last year, but it was less than in the first half of any year from 1930 to 1935. Butter production during this time reached a peak in 1933, and the drought in 1934 started the down-trend which is now receiving such decided impetus. It may be noted that during the first half of the peak year 1933, creamery butter production amounted to 917,206,000 pounds. During the first half of 1936, estimated production was only 832,443,000, a drop of more than 9 percent.

CHEESE PRODUCTION UP

Cheese production so far in 1936 has been heavier than last year, and in fact heavier than in any preceding year. During the first half of this year it was 14 percent over that period for the 1931-35 average. The stimulus back of this heavy production has been the high price of cheese.

Evaporated milk production so far in 1936 has continued the upward trend of recent years, which was broken only in 1934.

BUTTER STOCKS LOW

The amount of butter in cold storage on July 1, 1936, was 74,683,000 pounds, compared with 96,392,000 pounds a year earlier and the 1931-35 average of 89,272,000 pounds. Except for 1934, butter stocks this July 1 were the lightest on that date since 1928.

June is normally the month when the heavy movement of butter into storage occurs, ordinarily a storage movement of around 57,000,000 pounds. Last year, for example, the June increase in storage was 63,000,000 pounds, but this year the stocks increased during June only 53,000,000 pounds. This lighter-than-average movement of butter into storage has been due partly to reduced production during the 1936 flush season and to the unusual upward trend of butter prices which has made storage buyers hesitate at this time. Butter stocks usually continue to increase each month until September 1, but unless production conditions improve greatly or the high price restricts consumption, it looks as though storage stocks will continue lower than last year during the rest of 1936.

Stocks of American cheese in storage on July 1 were slightly heavier than a year ago.

In terms of milk equivalent, the stocks of butter, cheese, condensed and evaporated milk on July 1 were about 17 percent less than a year ago and 10 percent less than the July 1 average for 1931-35.

HIGHER PRICES

The upward swing of butter prices which started in May has continued. The wholesale price of 92-score butter at New York the last of July was 34 cents, compared with 24 cents a year ago. The June average on this grade was 29.6 cents, compared with 24.2 cents in June last year. Butter prices at this season have not approached present levels in any year since 1930.

Prices of cheese and evaporated milk are both substantially higher than a year ago.

A LITTLE INTEREST IN IMPORTS

Domestic prices of butter have attracted some interest in imports within the month, although so far only small shipments have come from Holland and Cuba. Trade advices have indicated that other arrivals approximating 575,000 pounds, from Holland, Latvia, Poland, and Siberia, were expected. More recently, however, an advance in foreign asking prices has somewhat changed this situation.

L. M. DAVIS,
Division of Dairy and Poultry Products.

SUMMARY OF DAIRY STATISTICS

PRODUCTION

[Millions of pounds; 000,000 omitted]

Product	June			January to June, inclusive		
	1936	1935	Percent change	1936	1935	Percent change
Creamery butter_----	187	201	-7.1	832	830	+0.2
Cheese_-----	83	74	+11.2	326	278	+17.4
Condensed milk_-----	34	31	+6.6	149	129	+15.9
Evaporated milk ¹ ----	266	267	-0.5	1,071	1,059	+1.1
Total milk equivalent_	5,417	5,627	-3.7	23,428	22,832	+2.6

APPARENT CONSUMPTION

[Including production, changes in stocks, and net imports or exports]

Creamery butter_----	133	139	-4.2	802	802	-0.0
Cheese_-----	72	59	+21.5	364	328	+10.9
Condensed milk_-----	25	24	+8.1	135	114	+17.6
Evaporated milk ¹ ----	220	157	+39.7	945	909	+3.9
Total milk equivalent_	4,065	3,919	+3.7	22,858	22,384	+2.1

¹ Case goods only.

FARM LABOR SUPPLY DOWN—WAGES UP

Wage rates for hired laborers in the United States averaged \$22.07 per month, with board, on July 1. These rates were one-fifth higher than those of 2 years ago.

In the last 2 years the supply and demand situation for farm labor has changed from one of general surplus of labor and low demand for it to a situation of supply 10 percent below normal, and of an increased but still subnormal demand. The result for the country as a whole was a shift from a situation with about three laborers available for every two farm jobs to that where the number of jobs nearly matched the number of workers who could be hired.

In the North Atlantic, East North Central, and Pacific States the supply of labor had dropped slightly below demand on July 1. Elsewhere labor supply was noticeably above farmers' demand for it, particularly in the South Central States. The labor supply is now the lowest it has been for nearly 10 years, but is still adequate or nearly so in most States.

Various factors have combined to decrease the farm labor supply and to increase wages. Increase of nonagricultural demand for employment of labor as well as increased farm demand for labor has brought this about.

Since July 1934 farm wage rates have risen 20 percent.

The rise of farm wages in the last few years is a measure of help to the hired farm laborers to meet somewhat increased costs of living. The depression slump in wage rates hit them harder proportionately than it did industrial workers, and the subsequent recovery has been far slower. The index of agricultural wages (1910-14 annual average=100) was 108 on July 1 compared with that of 195 for industrial wage rates last May. Labor tends to go to those jobs paying best. Consequently, as nonagricultural industries afford increased employment for laborers, many who might have otherwise engaged in agricultural labor are naturally taking jobs away from the farms. The differences between agricultural and industrial wages will have to be lessened to hold the present farm labor supply.

J. C. FOLSOM,
Division of Farm Population and Rural Life.

OUTSTANDING FARM LOANS

The volume of agricultural loans held by leading agencies has shown only minor net change during the last several months. Farm mortgage holdings of private agencies have continued to decline and federally sponsored credit sources have increased slowly. Outstanding Federal land-bank loans remained almost constant during the first half of the year, having been \$2,064,000,000 on June 30 as compared with \$2,066,000,000 at the close of January. Commissioner loans increased to \$827,000,000 in May and June, from \$803,000,000 on January 31. Farm-mortgage holdings of 39 leading life-insurance companies declined to \$762,000,000 in May as compared with \$776,000,000 in March and \$799,000,000 at the close of January. Joint-stock land banks have continued to liquidate their holdings, their total having been \$151,000,000 on June 30, as compared with \$162,000,000 in March and \$170,000,000 in January.

Holdings of financial institutions do not necessarily represent the trend of farm mortgages held by individuals. During periods of reviving land activity, a large proportion of new credits originate from transactions in which one individual accepts a mortgage as a part of the consideration. During this period the holdings of institutions may not change substantially.

Short-term loans during the last several months have shown a seasonal expansion characteristic of the principal production season. Loans of the Federal intermediate credit banks stood at \$197,000,000 on June 30 as compared with \$173,000,000 in March and \$153,000,000 in January. Production credit associations had \$140,000,000 outstanding in June, an increase of \$44,000,000 from \$96,000,000 outstanding in January. Emergency crop and drought loans showed little increase through the first 6 months of the year but are expected to expand materially as a result of the present severe drought in several Western and Southern States.

DAVID L. WICKENS,
Division of Agricultural Finance.

AGRICULTURAL LOANS OUTSTANDING, BY LENDING AGENCY ¹

[Millions of dollars]

End of year or month	Farm mortgage loans to farmers by—					Federal intermediate credit bank loans to—	
	39 life-insurance companies	Member banks	Federal land banks ²	Land Bank Commissioner	Joint-stock land banks ³	Regional agricultural credit corporations, production credit associations, and banks for cooperatives ⁴	All other institutions ⁵
1929-----	1,579	388	1,199	-----	627	-----	-----
1930-----	1,543	387	1,190	-----	591	-----	-----
1931-----	1,503	359	1,168	-----	537	-----	-----
1932-----	1,402	356	1,129	-----	459	-----	-----
1933-----	1,234	⁶ 318	1,233	70.7	392	73	76
1934-----	950	⁶ 262	1,916	616.8	261	100	90
1935-----	807	⁶ 251	2,072	794.7	176	105	49
1936:							
January-----	799	-----	2,066	802.8	170	105	48
February-----	789	-----	2,059	810.8	166	111	49
March-----	776	⁶ 253	2,060	817.9	162	123	50
April-----	768	-----	2,062	823.1	158	133	52
May-----	762	-----	2,063	827.1	154	140	53
June-----	-----	-----	2,064	827.2	151	144	53

End of year or month	Production credit associations ⁷	Regional agricultural credit corporations	Emergency crop loans	Emergency drought loan offices	Loans to cooperatives	
					Banks for cooperatives, including central bank	Agricultural Marketing Act revolving fund
1929-----	-----	-----	7	-----	-----	15
1930-----	-----	-----	8	-----	-----	137
1931-----	-----	-----	60	-----	-----	156
1932-----	-----	24	89	-----	-----	159
1933-----	0.03	145	90	-----	19	158
1934-----	60.9	87	78	32	28	55
1935-----	94.1	43	107	66	50	44
1936:						
January-----	96.2	41	105	65	47	44
February-----	103.0	41	104	64	43	44
March-----	116.4	40	104	64	41	44
April-----	127.5	39	112	63	40	44
May-----	135.5	38	114	63	40	42
June-----	139.5	36	114	63	40	45

¹ Data for life-insurance companies from Association of Life Insurance Presidents; data for member banks from Federal Reserve Board; other data from Farm Credit Administration.

² Unpaid principal; data previously shown were unmatured principal.

³ Includes loans outstanding of joint-stock land banks in receivership.

⁴ Regional agricultural credit corporations and production credit associations. Some of the loans made by the regional agricultural credit corporations and all of the loans made by the production credit associations are rediscounted with the Federal intermediate credit banks. The amounts in this column are thus included in the columns headed "Production credit associations" and "Regional agricultural credit corporations."

⁵ Includes agricultural credit associations, livestock loan companies, and commercial banks.

⁶ Licensed banks only.

⁷ These data refer to outstanding loans reported by production credit associations. Previous data referred to loans to and discounts for production credit associations by the Federal intermediate credit banks.

MEASURES OF DOMESTIC DEMAND

[1924-29=100]

	June				Percent change		
	1929	1933	1935	1936	1935-36	1933-36	1929-36
National income (excluding farm income):							
Total.....	108.2	62.0	73.8	83.7	+13	+35	-23
Per capita.....	103.1	57.2	68.0	76.7	+13	+34	-26
Factory pay rolls:							
Total.....	108.7	46.1	64.9	77.7	+20	+69	-28
Per employed wage earner.....	102.5	68.4	81.0	89.9	+11	+31	-12
Industrial production:							
Total.....	116.6	84.9	80.2	96.1	+20	+13	-18
Factories processing farm products.....	108.6	117.1	93.5	99.9	+7	-15	-8
Other factory production.....	123.8	70.6	71.8	95.9	+33	+36	-23
Construction activity:							
Contracts awarded, total.....	104.1	14.9	24.8	38.8	+56	+160	-63
Contracts awarded, residential.....	85.1	11.6	21.5	31.3	+46	+270	-63
Employment in production of building materials.....	94.6	36.9	44.3	54.1	+22	+47	-43
Cost of living:							
Food.....	99.7	62.4	77.9	80.5	+3	+29	-19
For "All other items".....	98.0	79.8	81.3	82.5	+1	+3	-6
Purchasing power of national income (excluding farm income) per capita:							
For food.....	103.4	91.7	87.3	95.3	+9	+4	-8
For "All other items".....	105.2	71.7	83.6	93.0	+11	+30	-12

NOTE.—All indexes adjusted for seasonal variation except "Cost of living."

Consumer income rose further in June—to 83.7 percent of the 1924-29 average—establishing a new recovery peak for the second consecutive month. June income, which rose about $1\frac{1}{2}$ percent from May, was 13 percent above June of last year and was 44 percent higher than at the March 1933 depression low. After adjustment for population growth, consumer income will support a standard of living for the average nonfarm person about 10 percent above that a year earlier and about 10 percent below 1929.

Industrial production continues to forge ahead, having reached 96 percent of the 1924-29 average in June, a gain of 20 percent over June 1935. Factories processing farm products operated at just about the average 1924-29 rate in June, improvement from May of 3.1 percent being attributable to improvement of about twice this amount in textiles and to an accelerated rate in plants processing food products. The month-to-month gain of 3.7 percent in factories processing non-agricultural products was even greater than in factories using agricultural raw materials, and carried the index to the highest point for the current recovery, or to only 4.1 percent under the 1924-29 average and 33 percent above last June.

Construction activity, though still trailing far behind other fields of economic activity, continues to advance. Residential building and employment in production of building materials reached new highs for the recovery period in June, but were at roughly one-third and one-half of their 1924-29 predepression rates respectively. As compared with the depression low, gains in construction are the greatest for any of the measures of domestic demand appearing in the accompanying tabulation.

Continued acceleration in industrial production and other lines of economic activity, resulting in greater expansion in nonfarm income than in general living costs, enables consumers to pay the somewhat higher prices for food induced by the 1936 drought and helps to maintain the improvement in farm income.

PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the division of crop and livestock estimates of this Bureau. Average of reports covering the United States weighted according to relative importance of district and States.

Product	5-year aver- age, Au- gust 1909- July 1914	July aver- age, 1910- 14	July 1935	June 1936	July 1936	Parity price, July 1936
Cotton, per pound.....cents--	12. 4	12. 7	11. 9	11. 4	12. 6	15. 6
Corn, per bushel.....do----	64. 2	70. 1	82. 4	61. 3	80. 2	80. 9
Wheat, per bushel.....do----	88. 4	86. 2	76. 4	80. 6	94. 4	111. 4
Hay, per ton.....dollars--	11. 87	11. 78	8. 88	7. 31	8. 66	14. 96
Potatoes, per bushel.....cents--	69. 7	81. 5	52. 0	136. 6	141. 1	87. 6
Oats, per bushel.....do----	39. 9	40. 9	32. 2	24. 3	35. 2	50. 3
Beef cattle, per 100 pounds.dollars--	5. 21	5. 33	6. 20	5. 99	5. 71	6. 56
Hogs, per 100 pounds.....do----	7. 22	7. 25	8. 40	8. 91	9. 14	9. 10
Chickens, per pound.....cents--	11. 4	12. 2	14. 0	16. 4	16. 1	14. 4
Eggs, per dozen.....do----	21. 5	16. 7	21. 7	18. 9	20. 0	20. 9
Butter, per pound.....do----	25. 5	23. 3	24. 1	26. 5	28. 4	33. 6
Butterfat, per pound.....do----	26. 3	23. 5	22. 3	27. 7	32. 6	30. 8
Wool, per pound.....do----	17. 6	17. 5	20. 5	27. 8	27. 5	22. 2
Veal calves, per 100 pounds.dollars--	6. 75	6. 74	6. 75	7. 46	7. 21	8. 50
Lambs, per 100 pounds.....do----	5. 87	60. 9	6. 26	8. 33	7. 94	7. 40
Horses, each.....do----	136. 60	136. 30	89. 00	98. 80	95. 90	172. 10

¹ Adjusted for seasonality.

COLD-STORAGE SITUATION

[July 1 holdings, shows nearest millions; i. e., 000,000 omitted]

Commodity	5-year average, 1931-35	Year ago	Month ago	July 1936
Frozen and preserved fruits.....pounds--	74	65	57	71
40-percent cream.....40-quart cans--	¹ 239	¹ 241	¹ 85	¹ 190
Creamery butter.....pounds--	89	96	21	75
American cheese.....do----	66	64	57	70
Frozen eggs.....do----	108	108	94	112
Shell eggs.....cases--	¹ 8, 354	¹ 7, 595	¹ 5, 707	¹ 7, 061
Total poultry.....pounds--	40	47	42	43
Total beef.....do----	42	56	51	41
Total pork.....do----	667	445	441	431
Lard.....do----	142	85	100	107
Lamb and mutton, frozen.....do----	2	2	1	1
Total meats.....do----	773	556	550	531

¹ 3 ciphers omitted.

CASH INCOME FROM THE SALE OF FARM PRODUCTS AND RENTAL AND BENEFIT PAYMENTS TO FARMERS

CASH INCOME FROM SALE OF FARM PRODUCTS

	Grains	Cotton and cotton-seed	Fruits and vegetables	All crops	Meat animals	Dairy products	Poultry and eggs	All live-stock and products	Total crops and live-stock
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1935									
February	26	34	65	157	109	98	38	245	402
March	28	30	75	159	122	102	45	270	429
April	37	18	92	173	124	111	59	295	468
May	40	15	83	160	130	123	66	323	483
June	34	12	70	133	116	122	54	305	438
July	45	11	75	152	119	113	44	299	451
August	95	27	70	260	139	102	36	287	547
September	94	109	70	356	136	98	41	282	638
October	79	182	110	484	169	95	44	312	796
November	54	146	73	349	154	89	64	311	660
December	41	94	69	270	164	97	65	328	598
1936									
January	45	54	72	227	180	108	40	331	558
February	34	32	89	189	137	103	35	278	467
March	51	25	84	190	146	112	52	312	502
April	41	14	86	165	151	112	56	320	485
May	47	20	101	194	140	120	63	332	526
June	62	16	111	218	155	128	58	364	582

BENEFIT, RENTAL, AND PRICE ADJUSTMENT PAYMENTS TO FARMERS NOT INCLUDED IN OTHER SOURCES OF INCOME

	Cotton	Tobacco	Wheat	Sugar beets	Cotton price adjustment	Corn-hog	Rice	Total ¹
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1935								
February	10	3	5	3		28		52
March	5	7	4	3		30		50
April	2	2	1	4		40		49
May	17	3	3	3		10		36
June	15	5	1	3		6		30
July	4	1	1	1		11		19
August	4	1	12	1		24	2	44
September	6	4	23			22	2	57
October	18	2	19	4		18	1	62
November	13	2	28	9		9	1	² 64
December	31	1	5	6		3	3	² 50
1936								
January	1							1
February								
March	8		5	2				15
April	3		14	2	6	12		37
May	1	1	16	1	9	31		59
June	1	2	11		13	30		57

¹ Total of all benefit, rental, and price-adjustment payments made during month does not check exactly with sum of payments on individual program, as it includes drought relief payments on cattle and sheep of \$3,000,000 in February 1935 and \$1,000,000 in March 1935.

² Includes \$1,000,000 to peanut growers in November and December.

GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

Year and month	Wholesale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in ³ —			Farm wages	Taxes ⁴
			Living	Production	Living-production		
1910-----	103	-----	98	98	98	97	-----
1911-----	95	-----	100	103	101	97	-----
1912-----	101	-----	101	98	100	101	-----
1913-----	102	-----	100	102	101	104	100
1914-----	99	-----	102	99	100	101	101
1915-----	102	101	107	104	105	102	110
1916-----	125	114	124	124	124	112	116
1917-----	172	129	147	151	149	140	129
1918-----	192	160	177	174	176	176	137
1919-----	202	185	210	192	202	206	172
1920-----	225	222	222	174	201	239	209
1921-----	142	203	161	141	152	150	223
1922-----	141	197	156	139	149	146	224
1923-----	147	214	160	141	152	166	228
1924-----	143	218	159	143	152	166	228
1925-----	151	223	164	147	157	168	232
1926-----	146	229	162	146	155	171	232
1927-----	139	231	159	145	153	170	238
1928-----	141	232	160	148	155	169	239
1929-----	139	236	158	147	153	170	241
1930-----	126	226	148	140	145	152	238
1931-----	107	207	126	122	124	116	218
1932-----	95	178	108	107	107	86	189
1933-----	96	171	109	108	109	80	162
1934-----	109	182	122	125	123	90	154
1935-----	117	191	124	126	125	98	-----
1935							
July-----	116	188	-----	-----	126	99	-----
August-----	118	192	-----	-----	125	-----	-----
September-----	118	195	124	122	123	-----	-----
October-----	118	194	-----	-----	123	102	-----
November-----	118	190	-----	-----	122	-----	-----
December-----	118	196	124	119	122	-----	-----
1936							
January-----	118	195	-----	-----	122	94	-----
February-----	118	195	-----	-----	122	-----	-----
March-----	116	198	122	119	121	-----	-----
April-----	116	195	-----	-----	121	101	-----
May-----	115	195	-----	-----	121	-----	-----
June-----	116	196	121	120	120	-----	-----

¹ Bureau of Labor Statistics Index with 1925=100, divided by its 1910-14 average of 68.5.² Average weekly earnings, New York State factories. June 1914=100.³ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.⁴ Index of farm real estate taxes, per acre, 1913=100.

GENERAL TREND OF PRICES RECEIVED AND PAID

Year and month	Index numbers of farm prices [August 1909-July 1914=100]							Prices paid by farmers for commodities ¹	Ratio of prices received to prices paid	
	Grains	Cotton and cottonseed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs			All groups
1910-----	104	113	101	-----	103	99	104	102	98	104
1911-----	96	101	102	-----	87	95	91	95	101	94
1912-----	106	87	94	-----	95	102	100	100	100	100
1913-----	92	97	107	-----	108	105	101	101	101	100
1914-----	102	85	91	-----	112	102	106	101	100	101
1915-----	120	77	82	-----	104	103	101	98	105	93
1916-----	126	119	100	-----	120	109	116	118	124	95
1917-----	217	187	118	-----	174	135	155	175	149	117
1918-----	227	245	172	-----	203	163	186	202	176	115
1919-----	233	247	178	-----	207	186	209	213	202	105
1920-----	232	248	191	-----	174	198	223	211	201	105
1921-----	112	101	157	-----	109	156	162	125	152	82
1922-----	106	156	174	-----	114	143	141	132	149	89
1923-----	113	216	137	-----	107	159	146	142	152	93
1924-----	129	212	125	150	110	149	149	143	152	94
1925-----	157	177	172	153	140	153	163	156	157	99
1926-----	131	122	138	143	147	152	159	145	155	94
1927-----	128	128	144	121	140	155	144	139	153	91
1928-----	130	152	176	159	151	158	153	149	155	96
1929-----	120	144	141	149	156	157	162	146	153	95
1930-----	100	102	162	140	133	137	129	126	145	87
1931-----	63	63	98	117	92	108	100	87	124	70
1932-----	44	47	82	102	63	83	82	65	107	61
1933-----	62	64	74	105	60	82	75	70	109	64
1934-----	93	99	100	104	68	95	89	90	123	73
1935-----	103	101	91	127	118	108	117	108	125	86
1935										
May-----	112	105	98	127	118	107	110	108	127	85
June-----	102	103	100	96	119	99	108	104	127	82
July-----	96	102	98	93	116	96	107	102	126	81
August-----	96	97	87	92	129	98	111	106	125	85
September---	97	90	82	101	131	102	126	107	123	87
October-----	101	94	82	120	125	104	132	109	123	89
November---	90	99	83	136	117	111	140	108	122	89
December---	89	98	92	136	120	118	135	110	122	90
1936										
January-----	92	95	89	118	122	120	117	109	122	89
February----	92	94	92	117	125	123	121	109	122	89
March-----	92	93	94	77	122	118	99	104	121	86
April-----	89	96	89	107	125	114	97	105	121	87
May-----	88	96	103	105	118	106	101	103	121	85
June-----	87	96	115	99	120	106	103	107	120	89
July-----	109	105	117	115	119	116	106	115	² 123	² 93

¹ 1910-14=100.² Preliminary.

THE TREND OF EXPORT MOVEMENT

Year and month, (ended Dec. 31)	Wheat, including flour ¹	Tobacco (leaf)	Bacon, ² hams, and shoulders	Lard ³	Apples (fresh)	Cotton, running bales ⁴
	<i>1,000 bushels</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 bushels</i>	<i>1,000 bales</i>
Total:						
1920-----	311, 601	467, 662	821, 922	612, 250	5, 393	6, 111
1921-----	359, 021	515, 353	647, 680	868, 942	5, 809	6, 385
1922-----	235, 307	430, 908	631, 452	766, 950	4, 945	6, 015
1923-----	175, 190	474, 500	828, 890	1, 035, 382	8, 876	5, 224
1924-----	241, 454	546, 555	637, 980	944, 095	12, 361	6, 653
1925-----	138, 784	468, 471	467, 459	688, 829	10, 043	8, 362
1926-----	193, 971	478, 773	351, 591	698, 961	16, 170	8, 916
1927-----	228, 576	506, 252	237, 720	681, 303	15, 534	9, 199
1928-----	151, 976	575, 408	248, 278	759, 722	13, 635	8, 546
1929-----	154, 348	555, 347	275, 118	829, 328	16, 856	7, 418
1930-----	149, 154	560, 958	216, 953	642, 486	15, 850	6, 474
1931-----	125, 686	503, 531	123, 246	568, 708	17, 785	6, 849
1932-----	82, 118	387, 766	84, 175	546, 202	16, 919	8, 916
1933-----	26, 611	420, 418	100, 169	579, 132	11, 029	8, 533
1934-----	36, 538	418, 983	83, 725	431, 237	10, 070	5, 753
June:						
1925-----	10, 922	27, 460	39, 690	59, 799	35	211
1926-----	11, 210	30, 762	23, 861	56, 482	39	339
1927-----	11, 515	32, 870	25, 326	66, 404	60	468
1928-----	8, 230	30, 278	23, 850	53, 436	49	444
1929-----	9, 003	28, 167	26, 735	67, 252	241	299
1930-----	12, 475	29, 967	19, 242	56, 666	37	185
1931-----	12, 477	36, 349	12, 015	37, 786	66	255
1932-----	8, 086	28, 973	9, 410	45, 339	184	360
1933-----	1, 705	17, 375	11, 100	37, 941	51	615
1934-----	1, 415	27, 799	8, 137	41, 008	9	459
1935:						
January-----	1, 257	28, 943	5, 108	17, 667	1, 281	466
February-----	1, 301	23, 616	4, 158	15, 890	1, 490	390
March-----	1, 500	31, 062	5, 428	10, 636	945	318
April-----	1, 281	16, 761	5, 332	7, 193	397	323
May-----	1, 426	16, 661	7, 443	9, 740	44	278
June-----	1, 195	11, 867	6, 662	6, 877	17	345
July-----	1, 232	14, 581	6, 580	4, 915	99	280
August-----	1, 278	22, 382	5, 210	3, 406	544	241
September-----	1, 324	52, 371	3, 531	1, 515	1, 349	487
October-----	1, 485	60, 068	3, 355	2, 731	2, 190	712
November-----	1, 320	64, 117	4, 961	7, 932	1, 854	1, 135
December-----	1, 132	38, 753	3, 923	7, 853	1, 466	886
Total-----	15, 731	381, 182	61, 691	96, 355	11, 706	5, 861
1936:						
January-----	1, 202	40, 297	3, 395	10, 117	1, 248	543
February-----	1, 192	34, 594	2, 369	7, 514	1, 206	406
March-----	1, 425	29, 832	3, 017	11, 461	1, 082	405
April-----	1, 423	23, 784	3, 396	9, 489	750	353
May-----	1, 534	17, 106	5, 367	10, 837	291	352
June-----	1, 382	20, 477	5, 955	11, 090	130	298

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal to 1 barrel of flour.² Includes Cumberland and Wiltshire sides.³ Excludes neutral lard.⁴ Excludes linters.

THE TREND OF AGRICULTURAL IMPORTS ¹

Year and month (ended Dec. 31)	Cattle, live	Beef, canned 2 3	Butter	Wheat, grain 2 4	Corn, grain	Oats, grain	Barley, malt 2
	<i>1,000 head</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 pounds</i>
Total:							
1920-----	379	3, 979	37, 454	97	7, 784	6, 728	0
1921-----	195	320	18, 558	3, 574	164	3, 565	0
1922-----	238	894	6, 957	10, 560	113	1, 299	60
1923-----	140	4, 496	23, 741	8, 930	203	317	397
1924-----	145	7, 026	19, 405	6, 895	4, 107	6, 964	765
1925-----	175	7, 969	7, 212	1, 308	1, 086	178	836
1926-----	221	21, 045	8, 029	451	1, 055	157	1, 028
1927-----	445	35, 999	8, 460	21	5, 458	85	810
1928-----	563	52, 748	4, 659	224	565	489	865
1929-----	505	79, 899	2, 773	36	407	112	1, 025
1930-----	234	56, 105	2, 472	317	1, 556	183	4, 309
1931-----	95	19, 586	1, 882	54	618	576	39, 875
1932-----	106	24, 639	1, 014	3	344	59	52, 533
1933-----	82	41, 344	1, 022	31	160	132	109, 183
1934-----	66	46, 674	1, 253	7, 737	2, 959	5, 580	193, 728
June:							
1925-----	15	1, 375	579	3	21	29	101
1926-----	14	1, 709	100	(⁵)	22	13	340
1927-----	22	5, 762	206	3	33	4	118
1928-----	45	5, 925	270	117	47	70	0
1929-----	42	9, 881	271	-----	46	14	232
1930-----	21	10, 060	289	1	63	34	144
1931-----	6	1, 684	159	(⁵)	62	3	3, 599
1932-----	4	1, 363	91	(⁵)	37	7	4, 243
1933-----	21	4, 122	104	(⁵)	16	(⁵)	9, 999
1934-----	5	2, 519	74	1	77	7	22, 499
1935:							
January-----	6	4, 099	539	843	1, 887	1, 644	17, 449
February-----	38	4, 222	3, 071	1, 055	1, 826	2, 118	15, 459
March-----	53	7, 690	4, 929	1, 458	3, 304	2, 596	27, 197
April-----	51	9, 496	8, 860	1, 611	1, 445	2, 167	30, 701
May-----	49	7, 076	2, 665	847	3, 036	1, 124	37, 794
June-----	34	5, 911	1, 437	625	6, 122	406	43, 728
July-----	18	5, 220	177	793	5, 649	29	42, 041
August-----	16	5, 740	149	2, 570	8, 554	1	27, 136
September-----	14	7, 752	122	3, 644	2, 986	7	27, 566
October-----	32	5, 379	108	5, 324	4, 690	5	16, 933
November-----	40	6, 811	277	4, 348	1, 651	2	18, 916
December-----	27	6, 867	341	4, 321	2, 092	8	15, 703
Total-----	378	76, 263	22, 675	27, 439	43, 242	10, 107	320, 623
1936:							
January-----	22	7, 642	860	2, 231	1, 869	0	15, 190
February-----	28	7, 218	2, 191	2, 398	583	6	15, 554
March-----	52	7, 978	577	2, 673	1, 186	5	18, 153
April-----	79	11, 897	661	1, 536	1, 052	11	21, 642
May-----	57	8, 654	224	1, 627	938	22	27, 300
June-----	47	6, 918	168	3, 028	34	2	24, 256

¹ General imports prior to 1934; beginning Jan. 1, 1934, imports for consumption.² Imports for consumption.³ Includes corned beef.⁴ For domestic consumption and includes only wheat full duty paid and 10 percent ad valorem.⁵ Less than 500.

Foreign Agricultural Service Division. Compiled from Foreign Commerce and Navigation of the United States and official records of Bureau of Foreign and Domestic Commerce.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

Production, consumption, and movements	June 1935	May 1936	June 1936	Month's trend
Pig iron, daily (thousand tons)-----	52	85	86	Increase.
Bituminous coal (million tons)-----	30	29	29	Unchanged.
Steel ingots (thousand long tons)-----	2, 259	4, 046	3, 985	Decrease.
Cotton, by mills (thousand bales)-----	384	531	556	Increase.
Steel Corporation shipments of finished steel products (thousand tons).	578	984	886	Decrease.
Building contracts in 37 Northeastern States (million dollars).	148	216	233	Increase.
Hogs slaughtered (thousands)-----	1, 828	2, 579	2, 759	Do.
Cattle and calves slaughtered (thousands).	1, 108	1, 288	1, 370	Do.
Sheep and lambs slaughtered (thousands).	1, 421	1, 213	1, 309	Do.
Bank debits (outside New York City) (billion dollars).	16	17	19	Do.
Carloadings (thousands)-----	2, 466	3, 352	2, 787	Decrease.
Mail-order sales (million dollars)-----	59	75	77	Increase.
Employees, New York State factories (thousands).	359	384	380	Decrease.
Average price 25 industrial stocks (dollars).	166. 03	203. 36	211. 69	Increase.
Interest rate (4-6 months' paper, New York) (percent).	. 75	. 75	. 75	Unchanged.
Retail food price index (Department of Labor). ¹	133	131	137	Increase.
Wholesale price index (Department of Labor). ¹	116	115	116	Do.
Agricultural export index (B. A. E.) ¹ ----	58	54	52	Decrease.

¹ 1910-14 basis.

Data in the above table, excepting livestock slaughter and price and export indexes, are from the Survey of Current Business, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

SHORT CROP OF GRASS SEED DUE TO DROUGHT

The information at hand indicates that the production of grass seeds of all kinds this year is a little less than half that of last year. In the case of the clovers many sections that made a fairly good first crop of clover hay have had very poor conditions for the second or seed crop. The same is true in some of the important alfalfa districts. However, good weather could still improve this situation.

SMALL CROP BUT LARGE CARRY-OVER OF TIMOTHY

The production of timothy seed this year apparently will be one of the smallest in 15 years. It is expected to be about one-third as large as last year's crop which, however, was unusually large. A rough estimate places the probable yield of timothy seed this year at around 38,500,000 pounds as against 128,223,000 pounds last year. Growers indicate that the quality of the seed this year will average fair to poor and not nearly so good as that of the 1935 crop.

One saving item in respect to timothy, however, is that the carry-over is the largest in 4 or 5 years, whereas a year ago there had been almost no seed carried over.

SHORT CLOVER CROP

It appears that the crops of red and crimson clover will be substantially smaller than last year and the same is likely to be true of alfalfa, although it should be noted that information on these crops is still meager.

The crimson clover seed crop is estimated at around 1,000,000 pounds this year against 1,500,000 pounds last year. Information is not at hand which would justify any figure on the red clover crop; the harvest of these clovers and of alfalfa is later than that of most of the grasses.

White clover appears to be an exception this year. It is believed to be from one-third to one-half larger than the small crop of last year. A decrease in the acreage in Louisiana was indicated, but this was more than offset by much larger yields this year than last. It is estimated that 450,000 to 500,000 pounds of white clover seed were produced in that State this year compared with 300,000 pounds last year. The few reports drawn from Wisconsin indicate that another very small crop of white clover was produced in that State.

Of the other important grasses, Kentucky bluegrass is about half of last year's crop. The production of redtop seed this year in Illinois is expected to be 40 to 45 percent smaller than that of last year. The meadow-fescue crop is about one-half that of last year, or about 400,000 to 450,000 pounds, compared with around 900,000 last year. Much of the meadow-fescue sown in the fall of 1935 was reported to have winter-killed but the main cause of the low yield was the drought last spring. Orchard grass seed production this year is about one-half as large as last year.